

**UAC INSURANCE MUTUAL
MINUTES, TELEPHONIC CONFERENCE
May 29, 1996, 10:00 a.m.**

CLOSED MEETING TO DISCUSS PENDING OR REASONABLY IMMINENT LITIGATION

Board Members Participating:	Gary Herbert, <i>President</i> , Utah County Commissioner Gerald Hess, <i>Vice President</i> , Davis County Deputy Attorney Sid Groll, <i>Comptroller</i> , Cache County Sheriff Robert Gardner, <i>Secretary</i> , Iron County Commissioner Ken Brown, Rich County Commissioner Sarah Ann Skanchy, Cache County Council Member Gary Sullivan, Beaver County Commissioner
Others Participating:	Kent Sundberg, Utah County Deputy Attorney Brett Rich, Director, UACIM Doug Alexander, UACIM Claims Manager

*From
Brett's
notes*

By written notification, the Board of Directors was informed that the scheduled May 30, 1996, Board meeting was canceled. Therefore, pursuant to Articles 7.2 and 7.5 of the UACIM Bylaws, a telephone conference was scheduled to discuss claim number 801WAS927004.

Doug explained that AIG has officially denied coverage for this claim in a letter dated April 22, 1996. AIG states in the letter that they will pay the defense costs that have been incurred on this claim through the date of the letter. Kent reported that at the recent meeting of the Litigation Management Committee, this topic was extensively discussed. Kent explained that Baird Morgan has given an opinion on the coverage of this case and reviewed the opinion with the Board. The opinion concludes that if tested, AIG would most likely be required to cover Washington County in this case. Kent reviewed several different options and offered recommendations to the Board.

After extensive discussion, Robert made a motion that first, UACIM will immediately notify AIG that the Board of Directors disagrees with their denial of coverage in claim number 801WAS927004 and that UACIM will continue to inform them of developments, second, that Brett notify Washington County of the Board of Director's decision to continue the defense of this case with a reservation of rights, third, that UACIM not seek declaratory judgment at this time but wait for further action depending on the outcome of this case, and fourth, that Doug notify Peter Stirba of the Board of Director's decision and direct him to continue the defense. Ken seconded the motion and the motion carried.

Kent reminded the Board that Peter Stirba had been removed from the UACIM approved defense attorney list at the April 19, 1996, meeting. Kent recommended that Peter Stirba and the firm of Stirba and Hathaway be reinstated on that list. Ken made a motion to reinstate Peter Stirba and the firm of Stirba and Hathaway to the list of UACIM approved defense attorneys. Gerald seconded the motion and the motion carried.

The Board rescheduled the canceled Board meeting to Friday, June 14, 1996, at 10:00 a.m. in the UAC Offices.

The meeting was adjourned.

